

Overview of the McKinney-Vento Homeless Assistance Act

Michigan Department of Education
www.michigan.gov/homeless

National Association for the Education of Homeless Children and Youth
www.naehcy.org

National Center for Homeless Education
www.serve.org/nche





Michigan Homeless Data

Homeless students reported by year:

2007-08	7,500
2008-09	14,875
2009-10	22,673
2010-11	30,986



Michigan Data

Michigan school districts reported
an increase of 413%
in the numbers of
homeless students identified
from 2007-2008 to 2010-11.



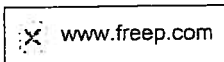


Our Invisible Students: Homeless Children and Youth

Michigan Statistics: 2010-2011

- Approximately **30,986** homeless students were reported by Michigan schools for **2010-2011**

- For the upcoming **2011-2012** McKinney-Vento Homeless Education grant cycle -
 - 33 grants representing approximately 827 out of 856 individual districts and **ALL** 83 Michigan counties!
 - 29 ARRA grants to build capacity and strengthen LEA homeless education programs



December 19, 2011

For Michigan's homeless students, a storage room of backpacks shows community support

*By Jeff Seidel
Detroit Free Press Staff Writer*

<http://www.freep.com/homeless>">Michigan's homeless students: Part 2 of 4

The small cluttered motel room is filled with all their worldly possessions -- bags of clothes from a free clothes locker, a fistful of utensils standing up in a Mason jar, a deep fryer, a toaster oven, a Crock-Pot, a box of food donated from a nearby church, and a backpack that links thousands of homeless children across Michigan.

The backpack was given to 11-year-old Amber Phillips by the Macomb Intermediate School District because she is a homeless student. She has been living in this motel for two months.

Amber rides the bus to school, just like any other student. The bus stops in front of the motel, although the district changed the bus route to protect her dignity, making her the first student picked up and the last student dropped off, trying to stop the other children from teasing her.

Unlike some homeless students who skip school because they are embarrassed about having dirty clothes, Amber always wears clean clothes.

Her mother, Donna Grant, does Amber's laundry in the bathtub, crouching on her knees and scrubbing with her hands. Then she hangs the wet clothing around the room to dry because the motel owner charges \$5 a load.

On any given day, dozens of homeless families in metro Detroit find themselves crammed into small motel rooms.

They're wary of going to shelters for fear the family might have to split up. Or they simply don't know where to find a shelter. Or they want to maintain some semblance of the privacy they once had in their homes.

Some of these families might pay up to \$800 a month for their motel room -- but moving to an apartment isn't an option because they don't have the money for a security deposit or the ability to pay a month's rent on the first day of every month. At a motel, they can negotiate payments week to week, sometimes day to day.

Amber shares the room with her mother and, occasionally, her mother's friend. She sleeps on the floor on top of a sleeping bag, which she uses as a mattress. She likes it on the floor. At least, it's her own space -- her one small slice of the world.

Amber gets free breakfast and lunch at the school, but Grant tries to cook supper every night in the room, although it took some experimenting to learn to cook mostaccioli in a wok.

Amber does her homework on a small circular table and practices her clarinet in the bathroom when it is raining or late at night. On warm sunny days, she walks across the parking lot and practices on a picnic table.

To get some privacy, she walks onto the second-floor walkway to talk to her friends on her cell phone, but she has never invited any of them over to visit.

Every morning, she walks down the wood steps and stands in the parking lot, waiting for the bus.

Grant, who lost her job cleaning a different motel, watches from a window, to make sure her daughter is safe. Cars and vans and buses hum down Groesbeck Highway, but she's lived here for several months and Amber doesn't hear the traffic anymore. The only source of light comes from the glow of the Roseville Motel sign and the advertisement: "3 Free Adult Channels."

But Amber's mother makes those inaccessible.

The bus stops. The door swings open. And Amber gets on an empty school bus, with that backpack slung over her shoulder.

Supplies not enough

Kathy Kropf, who is in charge of helping the homeless students in the Macomb Intermediate School District, opens a storage room and walks past shelves that hold almost 200 backpacks, some for boys, some for girls. All of the backpacks are new, with the tags still attached.

In the next few months, Kropf will give these backpacks to the next wave of homeless students, which she is certain is coming.

"They go out as quickly as they come in," Kropf said of the backpacks.

If there is one place that reveals the magnitude of the growing homeless student population in Michigan and how the schools are trying to help these students, it is here. In this storage room.

Because each one of those backpacks represents a child.

And each one of those backpacks shows how the community is trying to help.

"We are so blessed by community support," Kropf said. "Henry Ford Hospital in Macomb donated 300 or 400 backpacks."

The storage room looks like a small store. The shelves are stacked with children's reading books because Kropf found out it is hard for homeless students to move from location to location while toting around books.

There is a cabinet filled with socks and underwear. There are shelves stacked with paper and note cards and pencils and pens and calculators.

There are hats and mittens and folders and colored pencils and scissors and glue sticks.

There was a time when Kropf simply gave each homeless child a backpack filled with school supplies.

But she learned that wasn't enough.

"Then, schools started calling and said, 'It's February and Mary Sue is out here on the playground and she is wearing tennis shoes with socks with holes in them.'

"So we said, 'OK, we will start collecting socks and winter hats and gloves.' That's easy to throw into

the backpacks. And we know how desperately they need clothes, not just at Christmas when everybody wants to help."

The number of homeless students continues to climb in Macomb County, growing from 385 in the 2006-07 school year to 877 last school year. "I've been doing this for 18 years, and the changes over the last few years has been the most dramatic," Kropf said.

She helped 413 homeless students by the end of November 2010. This year, the number soared to more than 600.

Most of the students she is helping are not habitual homeless students. During the last three years, 75%-80% of the homeless students have been new to the system. They come from middle-class families who have suddenly lost their homes. And these families don't know how to be homeless.

"It's the people who have had jobs for years," Kropf said. "Or both parents had jobs and one lost their job. We have parents working two and three jobs just trying to keep their rental."

Working, but homeless

Shannon Lopez, 38, has a job, making \$10 an hour as a nursing aide working the night shift at an assisted living facility in St. Clair Shores, but ended up living at the Motorama Motel in Ferndale with her boyfriend, Tony Pascoe, 42, and her three children -- Sydney, 17, Ethan, 12, and Taylor, 7.

Sydney dropped out of school and is trying to get a GED.

The two boys sleep on the floor. Taylor's "territory," as he calls it, is on the right. Ethan's territory is on the left.

"They have their own spots," Lopez said. "They are warm and cozy on the floor."

The family is crammed into one room, with one bed. They sleep in shifts on the king-size bed.

"I sleep in the middle," Lopez said. "Tony sleeps over here. He sleeps while I'm at work and he's up with the boys during the day. We all have different positions on the bed."

At the start of the school year, Lopez was paying \$700 a month to rent a three-bedroom house in south Warren. The boys walked to school, about a half a block, but she lost the house after squabbling with the owner about the lack of repairs.

When she tried to rent a four-bedroom house a few blocks away, she put down an \$800 deposit, which she called a "fortune to me." Pascoe did some work on the new house to get it ready, helping to paint it, but they started haggling with the owner over how much the work was worth. They couldn't agree and ended up losing their deposit.

"I talked to the police, and they said I could take him to small-claims court, but that doesn't help me now," Lopez said.

They had been living on the edge, with no money saved up, no safety net. Pascoe, who worked in radio as a producer, is unemployed. They had no more money for a down payment, and suddenly, on Sept. 1, they were homeless.

After staying for a week at a more-expensive motel in Roseville, they moved into the Motorama. It cost \$175 weekly, \$675 if paid by the month.

When somebody has a job but doesn't earn enough money to pull together a down payment to rent a house or apartment, families often end up living in motels because the payment can be more flexible, even though the motel can be more expensive than an apartment.

Boost in business

Phil Patel has been the manager at the Motorama Motel in Ferndale for eight years. He works with families who struggle to pay their bills. Some families pay day to day; others pay by the month; and sometimes, he lets a family stay, even if they fall behind a few weeks.

"Sometimes, they pay a month later," he said. "But no more than four weeks behind."

The increase in clientele has helped some motels.

"It's good for business right now," said Mark Gabrial, manager of the Knights Inn in Sterling Heights. "The families come and go. Some for a day, some for extended periods of time."

Some motels will take dogs but no children.

Some motels will take children but no dogs.

And Patel said that he will refuse to rent to large families, if they try to cram too many people into one room.

"Some people will have four or five kids and there is only one bed and there is not enough room for them," Patel said.

For more than a month, Pascoe drove the boys to school in a 1998 Chrysler Concorde. "It only took me eight minutes," Pascoe said.

But then the boys missed more than a week of school after the car broke down. Lopez was desperate and went to the Ferndale schools administration building. She admitted to being homeless and learned that her children were eligible to receive backpacks filled with school supplies, gift cards to Subway and Meijer, and hats, gloves and socks.

The boys also had the right, under federal law, to stay at the school they first attended, before they became homeless.

She could have enrolled her sons in Ferndale schools, but she chose to send them back to Macomb County because she felt it would give them stability.

"They have friends there," she said. "At least school is still the same."

Lopez works at night and sleep during the day. After coming home from school, the boys play at a park about a block away. Every day, they walk a mile to a library and play on the computers for free.

"It's not that far," Ethan said. "I walk at least 2 miles a day. To the library and back. I like everything. It's got books."

Where do you live?

Some kids at school ask Amber where she lives, and she has learned to divert the conversation: "I'm not telling you," she says. "You might stalk me."

She is at an awkward stage -- growing into the body of an adult, but still a kid. To escape the motel room, she slips out the door and goes down the stairs, walks across the parking lot and sits at a table, near the road, and sends text messages to her friends or listens to music, usually Rihanna or Eminem.

She stands on a piece of wood, walks across it like a gymnast, walks across the parking lot, flailing her arms like a goofball, smiling, listening on her phone, waiting for somebody to call.

"As long as I've got food, I'm OK with it," she said. "I'm happy."

But Grant is stressed out. She is out of cash and late with her bills. She is unemployed and can't pay the \$180 weekly motel bill.

She doesn't want her daughter to know their situation, how close they are to going to a shelter or landing on the streets.

Amber is getting A's and B's, mixed in with some non-completes. "She is doing really well," Grant said, proudly.

Her daughter loves to read books. She's reading "Diary of a Wimpy Kid."

Someday, she wants to become an artist. A painter. Somebody who changes the world.

But more than anything, she wants a place to live.

"I'm just sick of this place," Amber said, making two fists and bringing them to her chest and squeezing her eyes tight. "It's like, 'Arrrrghhhh!'"

Bike is rent payment

In November, Grant had to leave the motel. She was \$120 behind in rent and the motel owner kept Amber's Huffy bike as payment, Grant said.

"Amber is hurt," Grant said, "but I had to leave the bike."

Grant and her daughter are now doubled up with a friend in a studio apartment in Harrison Township, sleeping on the floor.

"I called the school and they didn't want her to switch schools," Grant said. "So she switched buses."

Even though Amber is now living in the L'Anse Creuse district, she still attends a Roseville school. A Roseville bus picks her up every morning and brings her home.

Amber turned 12 on Dec. 3.

"I did something tiny," Grant said. "I gave her some lip gloss, some dollar perfume from the dollar store. And I got a cake from the food pantry."

It was a yellow sheet cake. With no name.

Donna tried to put Amber's name on it, but it didn't really work.

They have no Christmas tree. But Amber decorated some pieces of paper and hung them in the window.

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December 18, 2011

Michigan's homeless students: Foreclosure crisis takes toll on 31,000 kids

By Jeff Seidel
Detroit Free Press Staff Writer

<http://www.freep.com/homeless>">Michigan's homeless students: First of 4 parts |
<http://www.freep.com/article/20111219/NEWS06/112190339>">Part 2

Like a silent epidemic, the number of homeless children in Michigan schools is growing.

In the 2010-11 school year, more than 31,000 homeless students attended school — 8,500 more than in the previous school year, a 37% spike attributed to the weak economy, loss of jobs and the foreclosure crisis. Overall, the number of homeless students in Michigan has jumped more than 300% in the last four years. Most experts say those numbers are low because many parents are embarrassed to admit they are homeless. And many school districts lack the resources to identify these kids, as required by federal law.

Advocates say there's also a disincentive to find homeless children. Once a district finds them, it has to pay to transport them to school and provide other services — a tough job for many cash-strapped districts. School officials who deal with these children say the numbers are likely to grow next year because of the thousands of families who have lost jobless benefits and other cash assistance.

"You are going to see this tsunami of poverty hit us," said Beth McCullough, who coordinates help for homeless students in Adrian Public Schools.

Poverty among the state's children has already grown from 19.4% in 2007, when the economic downturn began, to 23.5% in 2010.

The majority of the homeless students are living doubled up with relatives or family friends. Others end up moving to shelters or motels.

Still, every morning, they get up and go to school.

Kathy Kropf, who coordinates services for homeless children in Macomb County schools, said most of the students she is helping now are not the habitually homeless. In the last three years, 75%-80% have been new to the system.

In the past, she said, homeless students came from rental evictions or a house fire or were fleeing domestic abuse. "Then it became foreclosure, foreclosure, foreclosure," Kropf said.

One day at a time for families on the edge

Matt Domagalski sat on a couch, in a house that wasn't his home, trying to do his eighth-grade homework. It was September, early in the school year, but he couldn't concentrate.

"The fleas were bothering me," he said. "I'd look down and they were hopping on my feet."

His mother, Nicole Larabee, tried to clean the place where they were staying, but the homeowner's three cats kept defecating on the floor. So they moved again.

The mother and son have spent several months bouncing from house to house in Livonia, hoping not to wear out their welcome.

They moved five times in about six weeks. Matt, 14, could never get comfortable. His grades started falling. He didn't have time to think about school because he was more worried about finding the shower or the towels after each move.

"It was so weird, being in a new place," Matt said. "You didn't know how long you were going to be there. Do they want you to still be here? Do they want to help you? Do they want you to get out as soon as possible?"

"When you walk in, you think of so much stuff. Where are you sleeping? What is the shower like? You have no idea how it works."

Matt, a big, thick football player with a kind, fragile personality, was constantly on edge, always afraid of getting kicked out.

"It's hard to think when you are that stressed out," Matt said. "You can't do anything."

Sleeping in a dog house

There are more than 31,000 homeless children in Michigan schools. Most of the students, like Matt, are living doubled up with relatives or friends. Others live in shelters or motels. Or they're living in cars or in tents at parks and campgrounds.

"We have homeless kids in Michigan who have lived in every situation imaginable," said Pamela Kies-Lowe, the Homeless Education state coordinator for the Michigan Department of Education. "If we are not helping those kids, school is the last thing on their minds."

Kies-Lowe tells of a 16-year-old student found sleeping in a dog house.

"I guess he wore out his welcome," she said. "The friend he was staying with said, 'Go and sleep in the dog house. And I will bring you food. And you can sneak in and use my bathroom. And we'll go to school in the morning.'"

Although the number of homeless students has risen dramatically in the past few years as the economy has faltered, the problem is underreported because many homeless families try to hide their situation. These families are worried their children will be taken from them for being a bad parent. Or they're afraid their children will have to switch schools if they find shelter in another school district.

And even though every school district in the state is required by federal law to appoint a homeless liaison to identify homeless students, some school districts are reluctant to find these students, said Barbara Duffield, policy director for the National Association for the Education of Homeless Children and Youth, based in Washington, D.C.

That's because the law requires school districts to provide school supplies and pay to transport homeless children back to the school they attended before they became homeless if they want, even if it is far away.

"There is actually a perverse disincentive to find homeless kids, if finding them means paying for transportation," Duffield said. "Yet transportation is essential if these kids are to have any hope of graduating from high school. It doesn't matter how great your teacher is — if you go to five schools in

a year, or no school at all, you won't learn."

At a statewide homeless student conference in September, presenters said some students were living in the woods.

Peri Stone-Palmquist, coordinator of the Education Project for Homeless Youth in the Washtenaw Intermediate School District, said she discovered a student who was living in a tent.

"I said, 'Where were your parents?' " Stone-Palmquist said. "And he said, 'Well, my mom is dead. My dad is dead. My brother was sleeping outside and he froze to death.' "

Susan Whitener, who has held a variety of positions working with homeless youths in northern Michigan, listened to Stone-Palmquist tell the story, but she wasn't shocked.

"We also have that sleeping-in-the woods issue," said Whitener, a homeless consultant for the Inland Lakes School District in Cheboygan County in northern Michigan. "We maintain a really good supply of sleeping bags and tents for the kids."

Most of the homeless students have never been homeless before.

"This is a first-time experience for those families," said Holly Holloway, program manager for the Oakland Schools Homeless Student Education Program. "I think we are seeing previously affluent or middle-class families that are now struggling. You don't know where to turn. You don't know what protections there are under the law."

And that was the case with Matt and his mother.

They didn't know where to turn.

Turn of events

Nicole Larabee wears blue jeans, tennis shoes and a pink Red Wings sweatshirt. Her blond hair is pulled back with bobby pins. She has a soft, timid voice and a pearly white smile.

This year, Larabee lost her job as a loan officer at a credit union. She lost her home to foreclosure in August. Now, she sleeps on a mattress in a friend's basement, next to her son.

After three months of bouncing around, she finally got up the courage to ask for help, attending an event for homeless people in Taylor last month.

Turning into the parking lot of Our Lady of Angels Church, Larabee was stunned to see so many cars, so many people in the same situation as her.

This was new to her. Larabee, 32, grew up in Farmington Hills, the oldest of four kids in a middle-class family. Her father owned a tow-truck company and her mother would eventually become a custodial supervisor for Farmington Public Schools. The family took Kodak-worthy vacations, often in Florida, and had an above-ground swimming pool in the backyard.

"I was very lucky," Larabee said. "I had a very fortunate childhood."

And now, on this day, she was about to admit that she and her son are homeless.

More than anything, she was afraid of making the wrong move.

Sitting in a borrowed truck — the transmission on her Ford Focus had gone out -- she teared up and tried to draw courage before walking into the church. If she admitted to being homeless, would she lose her son?

'I was very desperate'

Two years ago, Larabee was married and had a four-bedroom house on a half acre in Livonia. As a loan officer, she talked day after day to laid-off autoworkers who were losing their homes or cars.

"I was hoping and praying for them...that they would find jobs or find a solution and not lose their homes," she said.

Then she found herself in the same boat.

In March 2010, Larabee resigned from her \$12-an hour job because she had an offer for a new job, with the potential to make more money.

But the new job fell through, and suddenly, she was in serious trouble. She couldn't find work. By then, her 13-year marriage had ended in divorce. Her older son, Brian Oliverio, 16, had moved in with his grandmother to avoid the stress of the divorce.

In August, the gas and electricity were turned off at Larabee's house. She put most of her stuff in storage and she and Matt slept on the floor of their house until the bank foreclosed on it.

She thought of buying a tent and living at a campground.

"I felt it would be better than my car," she said. "I didn't even know where shelters were. I was very desperate."

Larabee and her son started couch surfing, bouncing from friend to friend, relative to relative. A few days here, a few days there, trying to travel light by keeping only a change of clothing in bags and important documents in a plastic box.

More than once, she went back to the storage unit to get clean clothes. At times, she changed her clothes in the storage unit.

As they moved from place to place, Larabee was careful to stay in Livonia, so that her son, who was starting the eighth grade, could stay at his school.

But she ran out of options when a family member refused to take her in, saying he couldn't afford it.

In October, after moving five times, including from the place infested with fleas, Larabee called her childhood friend, Liz McConaghie-Schleicher, 32, who has two children and was recently divorced.

"Can I come over and take a shower and do my laundry?" Larabee asked.

McConaghie-Schleicher invited her to dinner, then showed Larabee the basement, encouraging her to stay.

"She just opened up her arms," Larabee said. "I think she knew it was too hard for me to even ask for the shower."

Hope at homeless event

At the homeless event in Taylor, volunteers walked around in matching T-shirts in the gymnasium. They offered free coats and blankets. Free food. Free hygiene kits. Even free haircuts. Four volunteers from Great Clips gave 42 haircuts in the first two hours of the event, organized by the Out-Wayne County Homeless Services Coalition.

Fourteen tables arranged around the gym featured a different organization, many promoting themselves with large cardboard displays.

Larabee walked leisurely, looking at different displays like a shopper browsing through the mall.

She walked by an educational display.

"Do you have a GED?" a woman asked.

"I have my associate's degree," Larabee said proudly, referring to her two-year degree in business administration, which she earned from Louisiana Tech University with a 3.55 grade point average.

Larabee was told to go upstairs, so that she could be assigned to a case manager.

"I don't even know what one does," she said, waiting.

Larabee met with Nicole Valentini, a case manager at the Wayne Metropolitan Community Action Agency.

Valentini told her about a program for homeless people with a source of income. Larabee — who was getting child support and was on food stamps — might be eligible to receive a security deposit for a new place and possibly the first month's rent, Valentini said. That security deposit is crucial because it is the hurdle that keeps many homeless families in shelters or in motels.

For the first time in a long time, Larabee felt encouraged.

"I keep telling myself, someday, somehow, this is happening for a reason," she said. "I'm not sure why. I keep reminding myself, one day at a time."

A sense of normalcy

Larabee tries to make the basement look like a home. She set up a lamp and a bookshelf to display her son's football picture and trophy. She put a rug by her mattress and put up a bulletin board to display Matt's important school notes.

"I'm definitely trying to maintain a normal childhood for him, by keeping him enrolled in activities, so he can have friendships and be around other kids," Larabee said.

Matt is failing two classes, which is hardly surprising, considering homeless children, on average, struggle worse than children with homes.

"It makes me feel like I've let him down, like I'm not providing for him as best as he deserves," Larabee said. "Even though I'm trying."

Although Larabee is thankful — thankful beyond words for the help she has received from friends and relatives — she worries about everything.

Is she taking too long in the shower? Is she using too much electricity? Is she spending too much time in the bathroom? She tries not to be a bother.

"The low point is not knowing where to go," she said.

But she found a sliver of hope in the homeless event.

"That's a huge relief right there, to know there is hope and there are organizations out there that will help me to get back on our feet again and to have a home, so we can come home and say, 'We are home.' "

Larabee has a standing offer to live with McConaghie-Schleicher for as long as she wants.

"What does it matter if you are living here?" McConaghie-Schleicher said. "I still have to pay the same bills. She's very helpful, very thankful for everything, always."

In the last two weeks, Larabee has interviewed for two jobs, but struck out. One was selling office supplies and the other was taking care of hospice patients.

She is frustrated about finding an affordable place to live without a job. All the apartments she has found cost \$600 a month or more.

"I'm trying," she said. "But without a job, I'm in panic mode."

Better, not perfect

Larabee also has applied to the University of Michigan-Dearborn and hopes to get a bachelor's degree in marketing or advertising. She wants to get a place to live and reunite with her other son.

Matt is starting to feel comfortable in the basement.

"It's better than some of the other places," he said.

But it's not perfect.

He is in a band, but doesn't have a drum set like most of the other drummers in his class. "I wish I had one," he said.

But it's hard to tote around a drum set when you are living out of a bag.

And he doesn't have Internet access, even though most of the social studies work is done online.

"My teacher is cool about it," Matt said. "He personally makes hard copies for me."

Matt still feels out of place, never able to relax. "You never feel at home," he said, "unless you have your own place."

Related content:

- <http://www.freep.com/article/20111218/NEWS06/112180466/How-get-give-help>">How to get, give help

- <http://www.freep.com/article/20111218/NEWS06/11216062/Links-more-help-homeless-Michigan>">Links to more help for the homeless in Michigan

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Additional Facts

Coming up in this series

- **Monday:** Motels provide shelter to kids, families
- **Tuesday:** Covenant House offers an education
- **Wednesday:** Open arms in Adrian, Traverse City



Covenant House is a haven for Michigan's homeless students

Michigan's homeless students: Part 3 of 4

Even before the downturn in the economy, there were thousands of homeless children across the state -- kids who ran away from home because of family squabbles or because of abuse or because of myriad other reasons.

Some children now might have a new reason to run away.

"Now, we are seeing kids who leave home because they feel their parents can't afford them anymore and they feel like, 'I have to go on my own and spare them paying for me,'" said Pamela Kies-Lowe, the state coordinator for Homeless Education at the Michigan Department of Education. "They are trying to be magnanimous to their families. They strike out on their own and figure out they can't make it."

She said even those who leave for reasons of abuse might have an underlying tie to the economy.

"Families are struggling all over and it's got to have an impact on their parenting skills and their security," she said.

Many of these children -- especially the older ones -- can fall between the cracks. They are too old for foster care and not old enough to go to adult shelters.

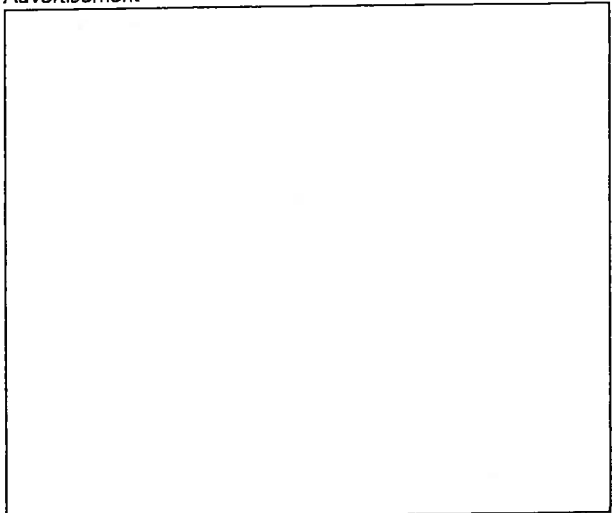
Covenant House Michigan, a shelter in Detroit, offers these children a place to live and finish their high school education. Covenant House is the only shelter in Michigan with a charter school on its campus, according to state officials, although the school is open to all students. Last year, Covenant House served almost 9,000 youths -- a population the staff calls affectionately "their kids."

Kids like Laura Terrell, who lived in a park after couching surfing for more than a year.

Covenant House angel gets kids to leave their old lives on the streets behind

Eighteen-year-old Laura Terrell hunkered down under a tree at Phoenix Park in Taylor. She was cold and hungry, living on

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candy bars and bags of chips, and sleeping in a park.

"Barely living," she wrote in her journal. "Barely eating.... I can't do this anymore. I want comfort back.... I don't think I'm cut out for it."

She wore a thin black hoodie, a pair of jeans and tennis shoes. It was late October 2010, and winter was on the horizon, but she wasn't prepared for it.

"It was freezing cold. Solid rain. I could see my breath," Terrell said.

She didn't have any money. Her clothes were dirty. And she stank; she hadn't had a shower in at least seven days.

She had spent all day, for several days, looking for a job, putting in applications at the fast-food places on Eureka Road in Taylor. No one was hiring.

Michigan's unemployment rate had been more than 10% for three years; it was even worse for high school dropouts like Terrell. And besides, who would hire somebody who smelled bad? She went into a McDonald's and asked for an application. One of the employees told her: "You need to go home and wash up and come back."

But she had no home. And no place to wash up.

Terrell had dropped out of school during her junior year. Or it might have been her senior year. She switched schools so many times, she can't even remember the last

grade she completed. Then she left home at 16.

Terrell ended up in the park after spending more than a year couch surfing, living with friends or friends of friends, bouncing from house to house.

Until there was nobody left.

She moved into the park, staying in the back by the pine trees, with her back against a brick wall to be safe. She slept on a picnic table, wrapping her arms around the things that mattered to her the most: her journals and two Bibles.

At night, she slept in sporadic bursts, 15 minutes at a time, until something would wake her up -- the wind, or a car, or footsteps, or the hunger. "I was starving. Eventually, it got to the point where I didn't feel it anymore."

Her only outlet was writing.

One day, she looked at a homeless man

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and wrote a poem on the back of a Walmart receipt, describing someone else, but offering a window into her own situation: "*The sadness that's in your eyes. The lost blank stare. The emotionless gaze as you look upon the Earth. You are lost. Worried... You are hurting inside. I know how you feel. I know the heaviness in your walk.*"

She befriended the owner of a nearby smoke shop, and he let her use his bathroom.

She went there to stay warm, but more than anything, to have somebody to talk to. She would do odd jobs for him -- mop the floor or take out boxes -- and he'd give her candy bars, or let her sleep inside on the floor when the temperature dipped.

"Also, on Halloween," she said. "When you are homeless, Halloween is very dangerous. When you are sleeping on a park bench and there are people who are out, being violent, with masks on."

And then there was the night -- the worst night of her life -- when, during a cold, steady rain, a guy rolled up on his bike. He was in his late 30s, maybe his 40s. Hard to say. She remembers he had gray hair.

He wanted sex but she refused.

"I tried everything," she said. "I told him I was 14 and it was illegal."

"Nobody is gonna know," he said.

She was afraid of being raped.

"Women have an instinct and we just know," she said. "I got up and tried to escape."

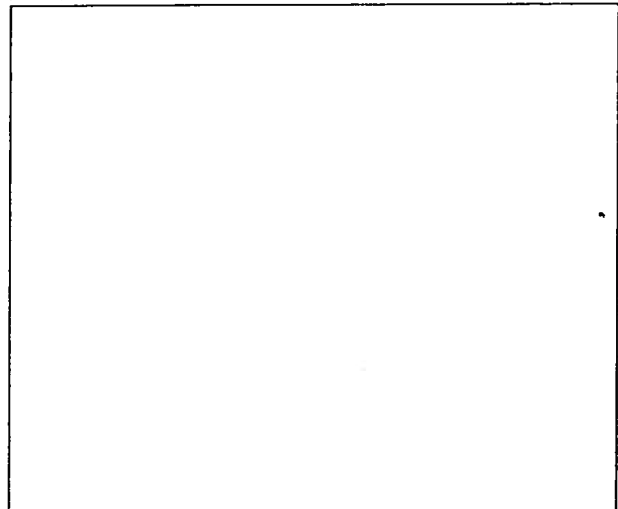
She found a friend, who took her to safety. But not for long. She returned to the park and days turned into weeks, six or seven in total, and it was getting colder.

On the day before Thanksgiving in 2010, another friend took her to the 90-day crisis center at Covenant House Michigan in Detroit, a shelter that focuses exclusively on homeless youth 18-22 years old. She had never considered a shelter before, but it was getting too dangerous and uncertain and cold in the park.

At Covenant House, youths get a clean bed, a warm meal and a shower and can stay for 90 days. If they are making progress, the boys and girls can move into more permanent housing that looks like college dorm rooms with bunk beds.

Some of the youths stay at Covenant House and attend their school of origin, while others attend high school classes at a

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Detroit Public Schools charter school on the Covenant House campus.

Covenant House Academy has a waiver from the state to keep school dropouts and homeless kids in school to age 22, primarily because this population needs to make up the years they lost when they dropped out of school.

Outreach team

Terrell walked through the doors at Covenant House -- shocked to see so many smiling faces -- and somebody brought her a bowl of macaroni and cheese with hamburger in it. Then they brought her another bowl. And then another. "I thought it was so delicious," she remembers. "Warm."

She took a shower and cleaned up and put on dry clothes and slept in a bed for the first time in forever.

Terrell had found a new home.

But there are hundreds of kids just like her on the streets of Detroit.

A team from Covenant House hits the streets every day, trying to find the next round of kids.

The outreach team is led by Stephanie Taylor, a deeply religious single mother with a grown child.

Every day, before hitting the streets with a partner, she hides her purse in a secret compartment inside the Covenant House

van. She hops into the driver's seat and adjusts the rearview mirror and plugs in the GPS system and says a silent prayer: "God, please watch over us. Guide us in the direction you want us to go."

She finds the kids outside abandoned buildings and at the bus station or at malls or in parks. She finds the kids in shelters and walking down the street and at hospital emergency rooms.

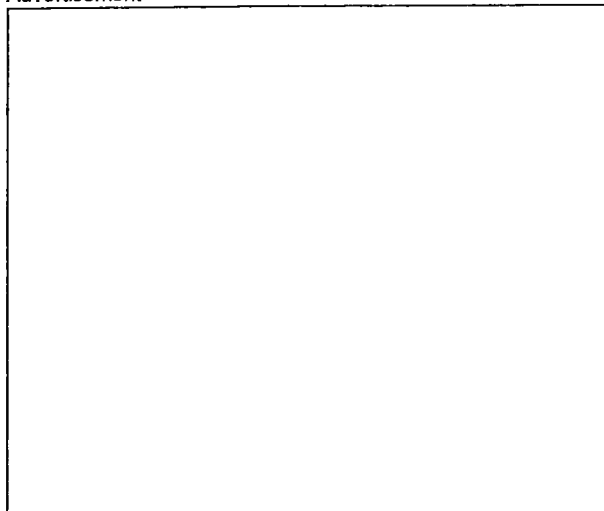
"People say they are sick and they might get a hospital bed for a few days," Taylor says. "That's the oldest trick in the book."

But more often than not, she finds them by just driving down the road, approaching anybody who looks to be younger than 22.

On this day, she spots a girl walking down the sidewalk in the Cass Corridor. Taylor cuts across two lanes of traffic, pulls over and rolls down her window.

"Girl, how old are you?" Taylor asks, in a high-pitched, inviting voice.

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"Eighteen," the girl replies.

On first glance, there is nothing unusual about the girl. Long ago, Taylor learned that there is no telltale sign for a homeless teen. So she approaches everybody, handing them a card. More often than not, she writes her personal cell phone number on the back.

"You are in our age group," Taylor says and hands the girl a card with a list of services. "Do you see all the services we provide right here? Safe shelter. Food. Clothing. Counseling. We got a high school."

Taylor smiles.

"Did you finish high school?" Taylor asks.

"No."

"Girl, you didn't? Girl, you know you can come. Do you mind if I take down your name and number?"

Taylor pulls out a clipboard and smiles.

That smile is her secret weapon.

"Taylor has a smile that convinces people to trust her," says Sam Joseph, who runs Covenant House. "I always call her an angel. God sent an angel to me."

I remember your face

Taylor drives by a shelter on Third Street in Detroit and spots two teens, a girl and boy, both of whom are probably 19. Taylor has been working on them for weeks, building

a relationship, trying to get them off the streets. But they don't want to get in that van.

"Heeeeyyyy!" Taylor yells out the window. "Ready whenever you guys are. How you doing, young lady? Good to see you."

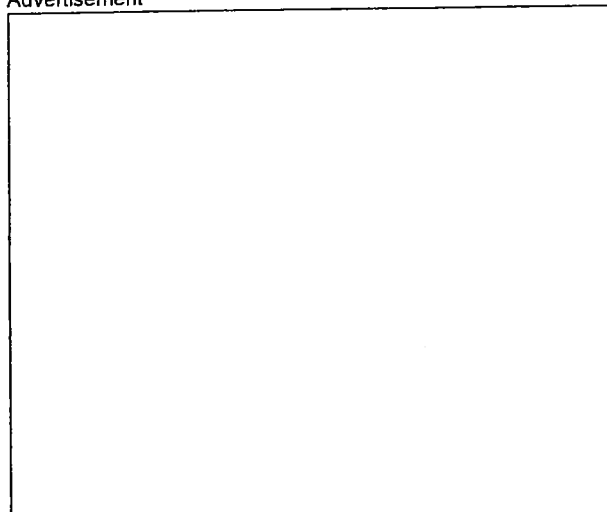
Taylor has a hard time remembering names -- she meets too many people every day to remember all the details -- but she has an uncanny ability to remember faces.

She has seen a dramatic increase in the number of homeless teenagers. If Covenant House doesn't have any open beds, Taylor will work the phones to get the children into another shelter.

"I'm gonna beg now," Taylor says on her cell phone, trying to get a teen into one shelter, while driving the van to another child in trouble.

There are times when she approaches a young person and she sees a knife or some

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other type of weapon. "We can't transport you," Taylor will say.

"They'll give you every excuse in the world why they have it," Taylor says. "And I say, 'I understand that. But if I'm taking you back to the shelter. You don't need it anymore. We will try to help you. Leave it where it's at.'"

She urges all of the kids to get help, but she forces no one to go to Covenant House. The kids have to want to get in that van and leave their old life behind. Covenant House has strict rules. Restricted use of cell phones. Curfews. Chores.

But the longer somebody stays at Covenant House, the more responsibility they are given.

"You try to encourage them," Taylor says. "Give them hope."

And once she gets them into that door, she prays for the magic to start.

'No option to fail'

When Terrell arrived at Covenant House, she was in shock and stuck in place for several months. "I didn't want to do anything," she said. "It's not that you don't want to. You don't know what to do."

She eventually advanced into the long-term residential program.

After about four months at Covenant House, she started changing. "I started to see myself grow up," Terrell said.

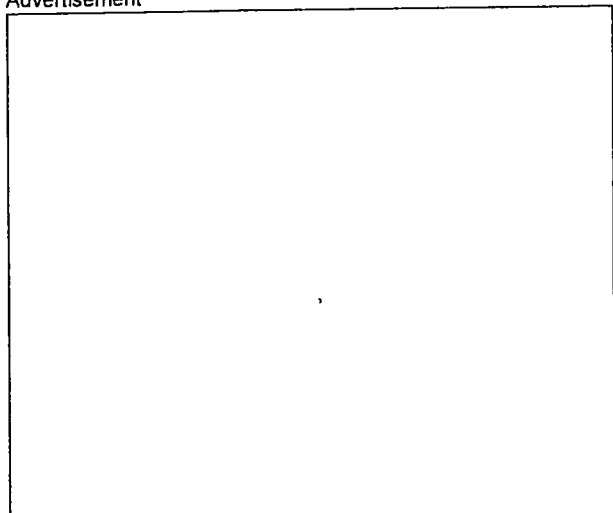
She enrolled in the high school at Covenant House and started packing her schedule. She volunteered to do anything. She spoke to other kids about homelessness, telling them how to get out of it. She took extra classes at school. She got a job, working 10 hours a day.


She gets up at 6:30 a.m. and goes to school until noon. Then she goes to work until past midnight, packaging CDs and DVDs at a company in Detroit, and then she goes back to Covenant House for about four hours of sleep.

"There's no option to fail," she said. "Nobody is going to catch me but myself."

She started flying through her online classes. Other kids tried to take five quizzes a day. She took eight. "I was sitting in class the other day and I thought, 'I did this by myself.... I got myself up in the morning. It kind of meant something to me. To notice that I got to do things and I'm doing them and nobody is pushing me. I'm pushing myself.'"

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And her writing started to take an upbeat tone, focusing on the future.

"We press limits, walk the lines and pray that we make it through our angered, troubled lives," she wrote in her journal.

She finds herself thankful for everything. "Nobody is thankful for a pair of socks, but when you don't got them, they are a blessing."

Now, 19, she is laid off from her job but she finished her classes last week. She will graduate in January, and she hopes to move into an apartment and be able to go to a community college to study business. She wants to open her own hotel.

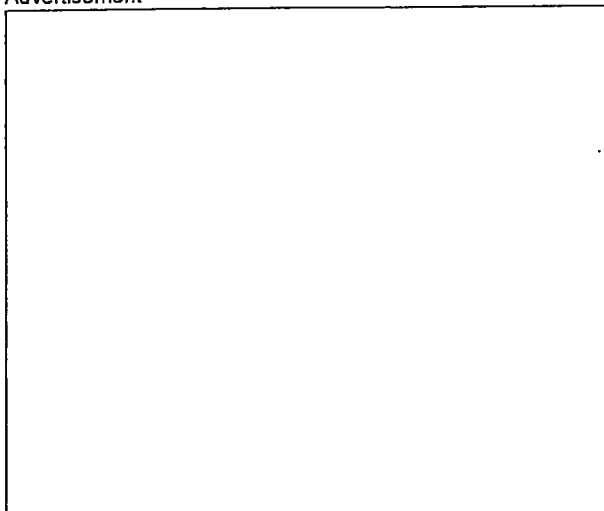
"It means I'm not a quitter," she says. "It means a new level in my life. A new journey."

She still has the journal she used when she was homeless. It is beat up, a reminder of where she came from.

"I look at my book as, 'This is me,'" she says. "The scars and scratches and the pages ripped out, it makes me who I am."

Contact Jeff Seidel: 313-223-4558 or jseidel@freepress.com

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Love from new families turns lives around for Michigan's homeless students

Michigan's homeless students | Part 4 of 4

Traverse City and Adrian are running two of the most unusual programs in the state to help homeless children -- families taking in a homeless child for a year so he or she can finish high school.

It's an idea that could be replicated around the state to help agencies already besieged by too many people who need help and not enough money to go around.

In both cities, homeless children are placed in mentor homes for the entire school year. Last year, 15 students were in the Traverse City program; all seven seniors graduated.

In Adrian, 13 children were in the program last year and all of them also graduated from high school, including two valedictorians.

Beth McCullough, who runs the Adrian program, said 87% of the homeless students in the program have gone on to higher education.

Abby Green, 18, is one of the newest homeless students to enter the program in

Adrian.

She says it has changed her life.

Advocate in Adrian: 'Kids belong in families and not shelters'

Beth McCullough sits in a cramped office at Adrian High School as flakes of paint float down from the cracked ceiling and land on her keyboard.

Homemade blankets are piled up in the corner, waiting to be given to the next round of homeless students. Last year, McCullough helped more than 500 students in Lenawee County.

McCullough is the homeless liaison for Adrian Public Schools, the only consistent link between the school system and students.

Unofficially, she is a psychologist, a social worker, a guidance counselor and one-person social services organization, trying

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to obtain donations from area groups to help the children. She uses the money to give the kids blankets and toothbrushes and gift cards for clothing and food.

And she gives them hope.

When kids come to her, they sit on a couch and tell her their stories.

One time, a homeless girl told her, "I am a failed abortion."

The girl's mother was raped. The abortion failed.

McCullough tried to encourage her: "You are a miracle. You are a survivor. ... You, young lady, are bound for great things."

On a Tuesday, she sees an 18-year-old.

"How you doing with food?" McCullough asks.

"I haven't eaten since Friday," the girl says.

"Let's head down to the cafeteria to get some breakfast," McCullough says.

On another day, she finds a homeless student living under a porch. "You know how a dog in the summertime will dig out a hole?" McCullough says. "Well, that's where he was living, in a hole, under a porch."

She remembers crawling under the porch and saying: "I'm from Adrian Public Schools, and I want to make sure that you know if you want to go to school, you can."

The student was 17.

"I just want you to know, I can get you into school," McCullough said. "I can get you free breakfast and lunch. ... We can start looking to get you different places to live -- besides here."

"Can I take a shower first?" the boy asked.

"Yes, absolutely."

But where would the boy live?

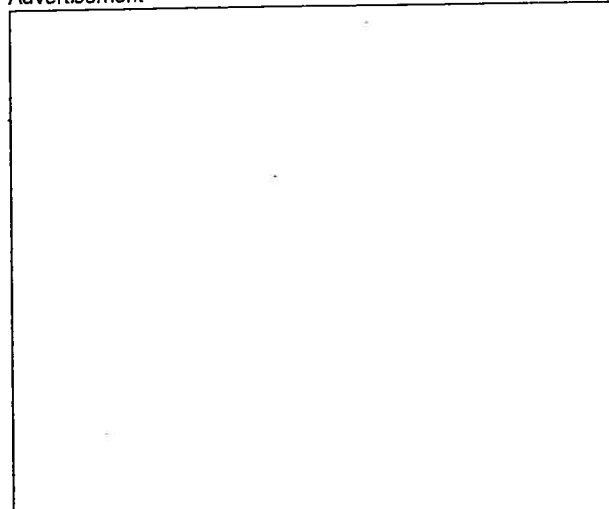
"I believe kids belong in families and not shelters," McCullough said.

In the beginning

Seven years ago, McCullough met a woman who had taken in a homeless student, a friend of one of her grandchildren. The woman said it was like having a foreign exchange student.

The idea got McCullough thinking. "Can we

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do that? Can we start a foreign exchange student program, where you don't take in a student from France, you take in a student because they are homeless?"

And that was the genesis for McCullough's Roadmap to Graduation.

In this program, homeless students are placed in a mentor home for the school year. The mentor family receives a \$200 stipend per month for mentoring and food. The program is run through Catholic Charities of Jackson, Lenawee and Hillsdale Counties. "I needed somebody to be the fiscal agent; the school can't do that," McCullough said.

In Adrian, Catholic Charities pays the stipend and screens the mentor home. The student can attend counseling.

Students come from a variety of backgrounds. Some were abused. Others have parents who have mental illness, substance abuse problems or are in prison.

"One of the biggest reasons why I have unaccompanied youth is a single parent being incarcerated, which drives me nuts," McCullough said. "I feel that's the system letting this kid down. If you are going to jail or prison, then you should have to report to that judge that you have assigned power of attorney to somebody to be responsible for that child."

The program started in fall 2007 with five students. Since then, 31 students have gone through it and all of them have

graduated on time and 87% have gone on to college.

Last year, there were 13 high school graduates, including two valedictorians. This year, two students are in the program and four more are waiting to be enrolled.

McCullough said she gave a talk about her program at a national conference and a group from Washington state copied it. "It's simple, and it works," she said.

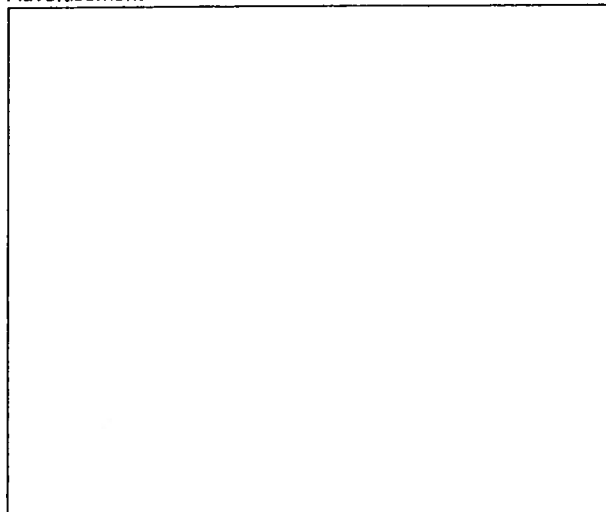
Traverse City has a similar program called Host Homes, run through Catholic Human Services.

"I get phone calls all the time from out of state," said Marybeth Novak, the program coordinator.

Last year, the Traverse City program had 15 students; all seven seniors graduated.

The Adrian program has been expanded to Jackson County this year with financial help from the United Way of Jackson C

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ounty. "When they got word of the program over in Jackson County, they loved it," said Sue Lewis, executive director of Catholic Charities of Jackson, Lenawee and Hillsdale Counties. "Their United Way stepped up and said, 'Can we take care of three kids right now?' So we are in the process of placing three kids in Jackson County. When people hear about this program, they say, 'That's kind of unique. What I like about it is, it's a solution.' "

Helping others

Scott VanEtten, 34, and his wife, Jennifer VanEtten, 36, had some extra room in their finished basement and were talking about taking in a foster child or a foreign exchange student when they heard about Abby Green, 18, a homeless student in Adrian.

Jennifer VanEtten rounded up her children for a family discussion.

"What would you think if we had somebody stay with us?" she asked her children, Tyler, 8, and Mya, 5.

Tyler, who has a bunk bed, offered to share his room. "Oh, they can sleep on the top bunk," Tyler said.

The VanEttens passed the screening process. Scott VanEtten used to coach high school basketball in the area and is respected in the community.

A few days later, the VanEttens met with Green.

Scott VanEtten said he was excited about helping somebody -- he is deeply religious and helped start a community based church in 2010 -- but he was apprehensive.

"You are opening your door to somebody you don't know, to somebody your kids are going to be somewhat influenced by," he said. "It's kind of a risky thing to do."

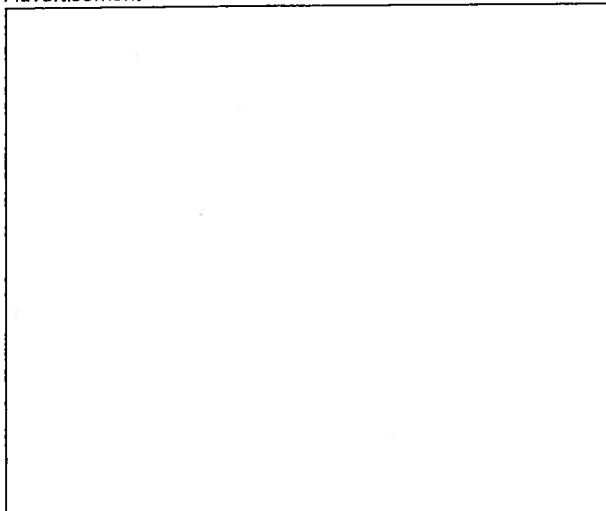
And Green wasn't sure what to think either. She didn't know anything about the VanEttens.


"Sure, they could be really nice and later on be this mean family that's all about the money type of thing," Green said.

A few minutes into the meeting, VanEtten was put at ease because Green was so gracious and polite. He was certain it was a good fit.

Even so, Green was still afraid on the day she moved to the VanEttens' home.

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"The whole thing was freaking me out," she said.

She got out of the van and looked at the house -- a two-story home she described as "gorgeous." It was located in a subdivision with big backyards and perfect lawns.

Green moved into the house but felt awkward: "I didn't know what I could or couldn't touch, or say, or do, really."

In the last two months, the apprehension has faded. "We just hang out and have fun," Jennifer VanEtten said.

And Green has opened up about her past.

She had been couch-surfing before meeting the VanEttens. Green said it was "startling" and "terrifying" living on her own, worrying about money and having enough food. She worried constantly, always afraid she was going to be kicked out. She felt isolated. She didn't have Internet or a cell phone.

But now, she feels like she has blended into the VanEtten family. She sleeps in a makeshift room in the basement and has her own half bath. She comes home from school and does homework in her room. Then she watches TV and plays video games and hangs out with the VanEtten children.

If Green wants to go somewhere, Scott VanEtten will question her like a father. "OK, it's a school night," he says. "What's going on with homework? How are the

grades looking? Do you think you should be out until 12 or should you maybe come home at 10?"

Green goes with the VanEttens to their family gatherings.

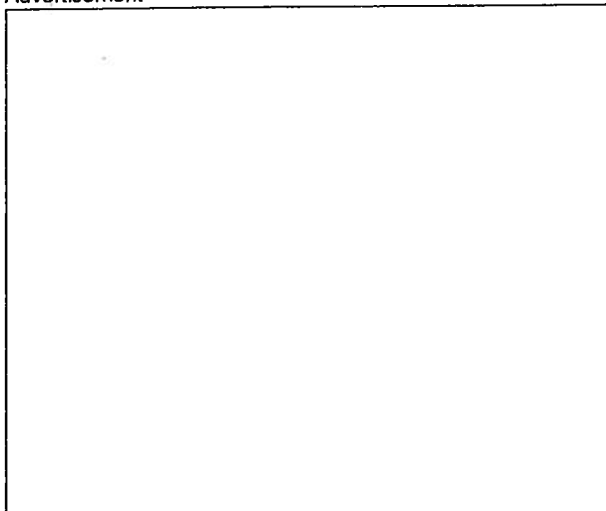
Jennifer VanEtten worries like a parent worries about a child. She feels pressure about getting Green to graduate. Is she doing her homework? How is she doing in her classes? Should she be studying more?


"Yeah, we feel pressure," Jennifer VanEtten said. "We are staying on top of school stuff, making sure she is on track to graduate."

Green struggled in school during the first trimester and at one point was failing two classes, but is still on track to graduate next spring.

"It's going to be a lot of work," Jennifer VanEtten said. "She has to take some online classes. We have come to love her as a person. We want her to do well, to at least get her high school diploma."

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At Halloween, Green passed out candy and then went trick-or-treating.

On Thanksgiving, Green went home and spent time with her mother. She said their relationship is "sketchy."

Scott VanEtten takes the mentor role seriously, especially in trying to help guide her.

"Obviously, it's not our child," he said. "It's not our job to raise her. I think we are just trying to steer her in the right direction. I'm not going to take full control of her life and tell her what she can do and can't do."

Green plans to go to college, but she isn't sure where she will end up. And Jennifer VanEtten is already worrying about what it will be like when she moves out.

"It will be weird not to have her," she said. "Hopefully, she will come back and see us."

Knock, knock

Back in McCullough's office, there is a knock on the door. It's another homeless student.

It never seems to stop.

At times, McCullough goes down to the guidance counseling office and sits. "I need to be where no one is crying."

But there is one day that makes it all worthwhile.

At graduation, McCullough goes and

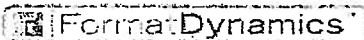
screams like crazy, cheering for the kids who don't have anybody else.

She remembers her first graduation. "You could pick out every homeless kid because their gowns weren't ironed."

It was like, 'Oh, no!' Note to self: Iron gowns. We need to have an ironing party."

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Grandmother's dresser

I spoke with the family Monday and the eviction is scheduled for Thursday. The Father of the family told me all the reasons why the eviction was wrong. In this job I have learned that just because something is wrong doesn't mean it won't happen. I didn't tell him this lesson I have learned. About ten minutes into the call I asked "What are your plans for Thursday? Do you have anyone who can take in the 5 of you? Have you called the family shelter about an opening?" I called later. There are no openings.

It was as if he didn't hear me. "We are looking for a storage unit. I called around and the cheapest I can find is \$45. How can I get that?" Storage units are a problem I have not found the answer to. The \$45 unit is only 5X7. He didn't know that. I didn't want to tell him. Families put things in storage and six months later is costs hundreds to get the locks off. The family never dreamed they would be homeless for so long. I don't pay for storage units. I have seen units cost more than the contents inside.

"Do you have somewhere to go when they evict you Thursday?" I asked again, a little more persistently. The tone in my voice reminded me of the tone in the voice of nurse after one of my surgeries. I remember her saying "Wake up, come on, open your eyes. The surgery is over." I can still hear that tone in her voice, just a little louder than normal, trying to call me out of my anesthetized state. Then I remembered becoming aware of the burst of pain I felt. I awoke in tremendous pain.

The tone in my voice called to the Father to wake up and find a place for his family. The pain of the full reality of his situation was waiting for him. Focusing on a storage unit seemed simpler. It only asked him to come up with \$45.

"We don't have anyone to take us in. There is nobody. They struggle themselves. We don't have anywhere to go," he said. There was panic in his voice and then a long silence. Finally he spoke again: "So my brother told us we could put stuff in his barn. I can't do that. Things just become mouse houses out there. My wife's grandmother's dresser would go out there. We can't do that."

I did not like this part of my job where I wake the patient and know the pain of the incision is going to hurt like hell. I know the rehab ahead is painful. I know it is so much more difficult than anyone anticipates. His voice became so soft I almost couldn't hear it. He said, "Grandma's dresser." In my head I was screaming "Oh my God, just go back to sleep!! I don't want to wake you!!" I heard his very quiet tears as he repeated, "Grandma's dresser."

"John" I said in my loud nurse voice, "I want you to get a pen. Write down my name and phone number and put it in your phone and in your wallet. If you do not have a place to go Thursday, call me. Tell me that you will call me."

He cleared his voice. "Ok, I will call you."

"Ask your pastor if you can put Grandma's dresser in the basement of the church. He called me and wants to help but can't do much. Maybe he could do that. OK?" When he hung up I checked to make sure I had funds for a week in a motel for a family of five.

I went home that night and crocheted in front of the TV for awhile. I was using my Grandmother's crochet hook. She passed away 27 years ago but I imagined her hand on my hand on the crochet hook we shared. "Grandma's dresser" I could hear John say. I tucked my crochet hook behind my ear and picked up a phone book to find his pastor.

HOMEOWNER PROTECTION FUND – Draft – 3.15.12

MCL 000.001 Definitions

Sec. 1.

As used in this act:

- 1) “Fund” means the homeowner protection fund created under section 2.
- 2) “Qualifying crime” means any offense prosecuted by the attorney general or county prosecutor involving the exchange of money or services for promised assistance with obtaining, servicing, modifying, refinancing, negotiating, or stopping foreclosure of a mortgage on a primary residence, or with redeeming a mortgaged primary residence after foreclosure.
- 3) “Qualifying victim” means a Michigan resident who makes a claim and is:
 - a) awarded restitution by a court in a criminal prosecution that
 - i) is instituted or maintained by the attorney general or county prosecutor,
 - ii) involved a violation of a qualifying crime, and
 - iii) the defendant does not have the ability to pay, or
 - b) was not awarded restitution by a court, but was otherwise a victim of a qualifying crime and can provide verifiable evidence of loss.
- 4) “Claim” means a written request
 - a) Submitted to the office of the attorney general
 - b) By a qualifying victim
 - c) On a form as prescribed by the attorney general
 - d) That describes and verifies the amount of restitution sought and the basis for the request.

MCL 000.002 Homeowner Protection Fund

Sec. 2.

- 1) The homeowner protection fund is created in the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

HOMEOWNER PROTECTION FUND – Draft – 3.15.12

The state treasurer shall direct the investment of the fund. Interest and earnings from fund investments shall be credited to the fund.

- 2) The department of attorney general may expend money from the fund, upon appropriation, for the following purposes:
 - a) For the disbursement to victims of qualifying crimes by claim as detailed in section 3.
 - b) For programs designed to assist homeless children and youths.
 - c) For programs designed to assist veterans who have been affected by foreclosure.
 - d) For operational and enforcement purposes.
- 3) The Michigan state housing development authority may expend money from the fund, upon approval of the attorney general and appropriation, for the funding of foreclosure counseling and foreclosure-related legal aid services.
- 4) The department of education may expend money from the fund, upon approval of the attorney general and appropriation, for programs designed to assist homeless children and youths.

MCL 000.003 Disbursements to victims of qualifying crimes

Sec. 3.

- 1) Upon receiving a claim from a qualifying victim, the attorney general may direct and authorize the state treasurer in writing to disburse money from the fund in an amount determined at the discretion of the attorney general to pay a qualifying victim's claim based on the verified evidence. Said exercise of discretion by the attorney general is not judicial or quasi-judicial in nature, does not create or affect a private right or license, and is not subject to or reviewable under the Revised Judicature Act of 1963, Act 236 of 1963, as amended, the Administrative Procedures Act of 1963, Act 306 of 1969, as amended, or any other provision.
- (2) The payment disbursed under subsection (1) may not exceed \$3,000 to any one qualifying victim, but otherwise may constitute:
 - a) The amount of restitution awarded to but uncollected by the qualifying victim and not paid by the party ordered to pay the restitution; or
 - b) If the qualifying victim has no restitution award, the amount of loss from a qualifying crime that he or she provides verifiable evidence of as part of a claim determined at the discretion of the attorney general.

Joint State-Federal Mortgage Servicing Settlement FAQ

Q: What is the settlement?

A: Michigan Attorney General Bill Schuette and other participating state Attorneys General entered into this settlement with the five leading bank mortgage servicers. The settlement requires the bank mortgage servicers to provide the participating states, including Michigan, up to \$25 billion dollars in monetary sanctions and relief. The total settlement amount is dependent on the number of states that sign the settlement agreement. In addition to the money relief, the settlement requires comprehensive reforms of mortgage loan serving.

Q: When will eligible consumers receive the benefits from this settlement?

A: The time frame is as follows:

- Over the 30 to 60 days after the settlement is entered, settlement negotiators will be selecting an administrator to handle the logistics of the settlement and monitor compliance. The settlement has not been entered with the Court yet.
- Over the six to nine months after the settlement is entered, the settlement administrator, attorneys general and the mortgage servicers will work to identify homeowners eligible for the immediate cash payments, principal reductions and refinancing. Those eligible will receive letters.
- This settlement will be executed over the next three years.

Q: Which 5 Bank Mortgage Servicers are involved?

A: This settlement applies to the following five banks/mortgage servicers:

1. Bank of America,
2. Citi,
3. Chase,
4. Wells Fargo, and
5. GMAC/Ally.

The state Attorneys General's negotiating committee, which negotiated this settlement, will work to negotiate similar settlements with other banks. It is expected that there will be additional settlements with other large mortgage servicers.

Q: What is a mortgage servicer and how do I know who services my loan?

A: A mortgage servicer administers mortgage loans, including collecting and recording payments from borrowers. A servicer also handles loan defaults and foreclosures, and may offer loss mitigation programs to assist delinquent borrowers.

The company that you make your monthly mortgage payment to is your mortgage servicer. Your mortgage servicer may or may not be a lending institution and may or may not own your loan.

Q: How much money will the banks/mortgage servicers pay?

A: Under the settlement, the servicers will spend at least \$19 billion to provide the different forms of consumer relief. If all 50 states, including California, decide to participate in this settlement the total paid by servicers would be \$25 billion.

Q: Where will the money go?

A: There are 4 different categories of monetary relief.

1. State Payment: Cash payments to states to address foreclosure related issues. The payment to Michigan will be \$97,209,465.00.
2. Borrower Payments: Separate from the cash payments to states, a national settlement administrator will distribute cash payments to borrowers who went through foreclosure from 2008-2011. It is estimated that \$89,801,787.64 will flow to Michigan residents. The exact eligibility criteria will be finalized later. **Recipients will not be required to execute a release or otherwise forego claims that they could raise individually.**
3. Refinance Program: Servicers will fund a refinancing program for borrowers who are current on their mortgage payments but who could benefit from lower current interest rates. This program is estimated to provide approximately \$83,655,641.00 in value to Michigan residents.
4. Federal Menu Benefits: A federal spend-down fund that will provide principal balance reductions, short sales, deeds in lieu of foreclosure, and other relief. This is valued at approximately \$515,111,411.60 for Michigan residents.

In total, the portion of the settlement payment that would flow to Michigan is estimated at \$785,758,305.24. The chart below shows these figures also.

State Payment	Borrower Payments *	Refinance Program*	Federal Menu Benefits*	TOTAL
\$97,209,465.00	\$89,801,787.64	\$83,635,641.00	\$515,111,411.60	\$785,758,305.24

* Note: all numbers, except the state payment, are estimates.

Q: What will Michigan do with the State Payment?

A: Michigan Attorney General Bill Schuette is recommending that the Legislature create a specific fund to support 6 different activities:

1. Foreclosure Counseling for Homeowners - \$20 million
2. Foreclosure Rescue Scam Victim Restitution - \$10 million
3. Michigan Attorney General Home Protection Unit - \$6 million
4. Payments to borrowers who suffered foreclosure - \$31 million
5. Assistance for school children displaced by foreclosure - \$20 million
6. Assistance for Military Servicemembers - \$10 million

Q: My mortgage is serviced by Bank of America, Citi, Chase, Wells Fargo or GMAC/Ally, how do I know if I can gain some relief from this settlement?

A: Borrowers will not immediately know if they are eligible for relief. For loan modifications and refinance options, borrowers may be contacted directly by one of the five participating mortgage servicers. Even if you are not contacted, if your loan is serviced by one of the five settling banks, you are encouraged to contact your servicer to see if you are eligible. The five servicer contacts are below:

GMAC/Ally
1-800-766-4622

Bank of America
1-877-488-7814

Citigroup
1-866-272-4749

JPMorgan Chase
1-866-372-6901
Monday-Thursday: 8:00 a.m.-12:00 a.m., Eastern Time
Friday: 8:00 a.m.-12:00 a.m., Eastern Time
Saturday: 8:00 a.m.-5:00 p.m., Eastern Time

Wells Fargo
1-800-288-3212

In any event, borrowers may contact their mortgage servicer to obtain more information about specific loan modification programs and whether the borrower may be impacted by this settlement. More information will be made available as the settlement programs are implemented.

Q: I have already lost my home to foreclosure. Can I get any help?

A: If your home was foreclosed upon from 2008-2011 and your mortgage was serviced by Bank of America, Citi, Chase, Wells Fargo or GMAC/Ally, you may be eligible for a cash payment. The amount of the payment will depend on how many people file claims, but it is expected to be around \$1,500 to \$2,000.

Q: How do I file a claim?

A: A settlement administrator designated by the state Attorneys General will send claim forms to eligible persons. Borrowers will have to fill out the claim form and send it back to the settlement administrator. Borrowers who are concerned they will be hard to locate can also contact the MI. Attorney General to provide their current address. This process will take time and it will be several months before claim forms are sent. Please check back to our website for updates.

Q: How do you know that the banks will do what they promised?

A: A settlement monitor will be appointed who will be able to gather information and test whether the banks are living up to their promises. The settlement includes specific criteria to measure compliance and remedial steps for non-compliance.

Q: How does this settlement affect members of the military?

A: The Servicemembers Civil Relief Act (SCRA) provides protections for active duty military servicemembers, including postponing or suspending certain civil obligations, such as mortgage payments and foreclosure. This settlement provides enhanced safeguards for military personnel that go beyond SCRA protections, including extending the window of protections for qualified servicemembers, and not requiring servicemembers to be delinquent to qualify for a short sale, loan modification, or other loss mitigation relief if the servicemember suffers financial hardship and is otherwise eligible for such loss mitigation.

Q: What about those of us who keep making our mortgage payments?

A: Borrowers who are current in their payments, but are “underwater” on their mortgages, may qualify for refinancing relief under the settlement. “Underwater” means a borrower owns more on the mortgage than the home is worth.

Beyond that, the mortgage servicers involved in this settlement broke the law, the conduct harmed borrowers, and this settlement addresses that conduct. If the mortgage servicers followed the law, many foreclosures likely could have been prevented. Foreclosure has a profound impact beyond the borrower and the creditor. A foreclosure affects homeowners, families, neighborhoods, communities, the housing market, and our overall economy.

When a house is subject to foreclosure, it creates a ripple effect that lowers the value of nearby single-family homes and other properties. In 2009, the Center for Responsible Lending projected that homeowners living near foreclosed properties, on average, would lose \$7,200 in property value, and projected a four-year increase in losses to \$20,300 per household.

Foreclosures contribute to unstable family and social environments. They increase stress on homeowners, their families, and their neighbors. These deteriorating, neglected properties and neighboring property value losses create neighborhood blight, cut a community's tax base, and can contribute to crime. Displaced homeowners put other stresses on communities, including the need for shelter and social services.

Foreclosures affect everyone and affect our economy – even those who play by the rules and pay their monthly mortgage on time.

Q: Why force banks to forgive large portions of peoples' loans?

A: The states and federal agencies established that the servicers have done wrong – through improper lending practices, improper foreclosures, etc. – and in response the banks have agreed to a settlement that helps many homeowners who have been hurt by misconduct in the marketplace.

Some banks have acknowledged that principal reduction can be an effective tool in stabilizing the housing market and have already forgiven portions of some loans. The idea is to keep people in their homes. The banks lose, on average, about \$60,000 on each foreclosure. It is a win-win proposition for the banks to give up some principal – instead of paying \$60,000 for each foreclosure – and allow people to remain in their homes. As a matter of pure economics, principal reduction is often better for the bank than the massive losses associated with foreclosure.

The huge number of foreclosures impacts all of us: our nest eggs erode, we may no longer borrow against our homes, and we can't sell them when we need to. Principal reduction is one of the tools we've negotiated to help keep more people in their homes and help stabilize the housing market — which helps all of us. It's true that principal forgiveness at this level is extraordinary. But so is the mortgage crisis, which affects families, our neighborhoods, and our economy. Big problems require big solutions.

Q: Why are you releasing the banks from some claims?

A: The release of claims, found in the settlement, relinquishes particular state and federal claims related to issues addressed by the settlement. The release is narrow and limited to mortgage servicing and origination claims. States that sign this settlement may still pursue other claims against the banks, such as securities and securitization claims. States could also sue financial institutions that are not part of the settlement.

States that opt not to sign the agreement are free to pursue their own legal actions. However, those states give up all the funds designated specifically for their state and its citizens who were foreclosure victims. Homeowners of those states also only qualify for a significantly reduced amount of loan modifications and other benefits being distributed as part of the settlement's national programs.

The agreement does not affect any individual's rights. A consumer may still bring an individual action, be a part of a class action, or seek further review/relief from the Office of the Comptroller of the Currency (OCC).

Q: Does this immunize banks from criminal prosecution?

A: No. This is a civil, not a criminal, settlement, and this settlement does not prevent state or federal criminal prosecutions.

Q: How will this settlement protect consumers in the future?

A: The banks have agreed to major reforms in how they service mortgage loans. These new servicing standards require lenders and servicers to adhere to a long list of rights for those facing foreclosure. For example, borrowers will have the right to see all of their loan documents to make sure any potential foreclosure is legal and will be given every opportunity to first modify their loan before facing foreclosure. Additionally, borrowers will have the right to deal with a reliable, single point of contact from whom to obtain information throughout the process. Lenders and servicers will be required to have an appropriate number of well-trained staff to promptly respond to distressed borrowers.

Q: Scammers pop up with most national settlements. How can I prevent myself from being scammed?

A: Scammers are already at work trying to capitalize on the national mortgage settlement to access your personal information—or worse, your money. The Attorneys General have already received reports of scammers in Alabama calling borrowers claiming to be one of the major banks involved in this settlement and offering a cash payment to consumers if they simply provide the routing number to access their bank account. If you receive an unsolicited call from one of the major banks, you can identify a scam in several ways:

1. Does the caller identify themselves as representing your loan servicer? Or do they ask you to provide the name of your loan servicer? If they ask you for the name of your servicer, they may be a scammer.
2. Does the caller offer to provide your personal information to assist you in identifying your account? Or do they ask you to provide that? If the caller is from your loan servicer, they will be able to tell YOU your personal information because they will have it. You should never provide your personal information (including bank account numbers, social security numbers, etc.) to an unsolicited caller—no matter what they promise you.

3. Does the caller offer to speed your settlement relief for a fee? They are definitely a scammer! Neither the banks nor the Attorneys General will charge a fee to speed your settlement.
4. If you think the caller may be legitimate, ask for their contact information, tell them you are going to call your bank's hotline (located above) and confirm, then call them back. Chances are if they're a scammer, they won't want you to check on them and they won't provide their contact information.

Q: How do I find out more about the settlement?

A: Visit the National foreclosure Settlement Website at www.NationalForeclosureSettlement.com. The "Help for Homeowners" link on the top of home page is particularly helpful.